

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX REFERENCE NO. 208 OF 1996.

The Commissioner of Income-tax,
Bombay City-II, Bombay.

..Applicant.

V/s.

Tata Engg. & Locomotive Co.Ltd ... Respondent.

Shri Ashok Kotangale with G. Hariharan for the
applicant.

Shri P.C. Tripathi for the respondent.

CORAM : V.C.DAGA AND J.P. DEVADHAR, JJ.

DATED : 29th August 2005.

P.C. :

. This is a reference under section 256 (1) of
the Income-tax Act, 1961, the Income-tax Appellate
Tribunal has referred the following question of law
for the opinion of this Court:

Whether on the facts and in the
circumstances of the case, the Tribunal was
right in law in holding that the computation
of disallowance u/s 40A(5)/40(c) of the I.T.
Act in respect of expenditure incurred on
payment of end of service benefits, a
separate overall limit of Rs.60,000/- will
apply?

. Learned Counsel for the parties agreed that
the above question is already answered by the
Division Bench of this Court in the case of **CIT
vs.Hico Products Ltd. (1993) 201 ITR 567 (Bom)** in
the affirmative i.e. in favour of the assessee and

against the Revenue. In this view of the matter, we answer the above question in the affirmative i.e. in favour of the assessee and against the Revenue.

. Reference accordingly stands disposed of with no order as to costs.

(J.P. DEVADHAR,J.)

(V.C. DAGA,J.)